

SENATE, No. 1025

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JANUARY 31, 2022

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Provides tax credits to developers for certain affordable housing projects.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning tax credits for certain affordable housing
2 projects, and amending and supplementing P.L.2009, c.90.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. (New section) a. As used in this section:

8 "Qualified residential project" means a redevelopment project
9 having no less than 25 dwelling units, which is predominantly
10 residential and includes multi-family residential units for purchase
11 or lease, or dormitory units for purchase or lease. The use of the
12 term "qualified residential project" in this section shall not be
13 limited by the total project cost.

14 "Very low-income housing" means housing developed as part of
15 a qualified residential project, which is affordable according to
16 federal Department of Housing and Urban Development or other
17 recognized standards for home ownership and rental costs and
18 occupied, or reserved for occupancy by, households with a gross
19 household income equal to 30 percent or less of the median gross
20 household income for households of the same size within the
21 housing region in which the qualified residential project is located.

22 b. Up to the limits established in subsection c. of this section,
23 and in accordance with a redevelopment incentive grant agreement,
24 beginning upon the receipt of occupancy permits for a qualified
25 residential project, or upon such other event evidencing project
26 completion as set forth in the incentive grant agreement, the State
27 Treasurer shall award tax credits for qualified residential projects.
28 A qualified residential project shall be eligible for tax credits if at
29 least 50 percent of the residential units are constructed and reserved
30 for very low-, low-, and moderate-income housing, of which at least
31 13 percent shall be reserved for very low-income housing.

32 c. The value of all tax credits approved by the authority
33 pursuant to this section shall not exceed \$600 million.
34 Notwithstanding the provisions of subsection b. of section 6 of
35 P.L.2009, c.90 (52:27D-489f) or any other law to the contrary, the
36 authority, in cooperation with the Division of Taxation in the
37 Department of the Treasury, may distribute tax credits to developers
38 of qualified residential projects in any region of the State in a
39 manner consistent with this section.

40 d. (1) A developer shall submit an application for tax credits in
41 accordance with section 8 of P.L.2009, c.90 (C.52:27D-489h). The
42 authority shall accept applications for tax credits until the value of
43 all credits approved by the authority reaches the limit set forth in
44 subsection c. of this section.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

(2) If the authority approves an application for tax credits, then the developer shall execute a redevelopment incentive grant agreement pursuant to section 9 of P.L.2009, c.90 (C.52:27D-489i). The State Treasurer shall award tax credits to the developer equal to the amount set forth in the incentive grant agreement; provided, however, that no tax credits under a redevelopment grant agreement shall exceed 30 percent of the total project cost.

2. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to read as follows:

3. As used in sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.) and section 1 of P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill):

"Applicant" means a developer proposing to enter into a redevelopment incentive grant agreement.

"Ancillary infrastructure project" means structures or improvements that are located within the incentive area but outside the project area of a redevelopment project, including, but not limited to, docks, bulkheads, parking garages, public electric vehicle charging stations, freight rail spurs, roadway overpasses, and train station platforms, provided a developer or municipal redeveloper has demonstrated that the redevelopment project would not be economically viable or promote the use of public transportation without such improvements, as approved by the State Treasurer.

"Authority" means the New Jersey Economic Development Authority established under section 4 of P.L.1974, c.80 (C.34:1B-4).

"Aviation district" means all areas within the boundaries of the "Atlantic City International Airport," established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation Administration William J. Hughes Technical Center and the area within a one-mile radius of the outermost boundary of the "Atlantic City International Airport" and the Federal Aviation Administration William J. Hughes Technical Center.

"Deep poverty pocket" means a population census tract having a poverty level of 20 percent or more, and which is located within the incentive area and has been determined by the authority to be an area appropriate for development and in need of economic development incentive assistance.

"Developer" means any person who enters or proposes to enter into a redevelopment incentive grant agreement pursuant to the provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its successors or assignees, including but not limited to a lender that completes a redevelopment project, operates a redevelopment project, or completes and operates a redevelopment project. A developer also may be a municipal redeveloper as defined herein or Rutgers, the State University of New Jersey.

1 "Director" means the Director of the Division of Taxation in the
2 Department of the Treasury.

3 "Disaster recovery project" means a redevelopment project
4 located on property that has been wholly or substantially damaged
5 or destroyed as a result of a federally-declared disaster, and which
6 is located within the incentive area and has been determined by the
7 authority to be in an area appropriate for development and in need
8 of economic development incentive assistance.

9 "Distressed municipality" means a municipality that is qualified
10 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
11 municipality under the supervision of the Local Finance Board
12 pursuant to the provisions of the "Local Government Supervision
13 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
14 identified by the Director of the Division of Local Government
15 Services in the Department of Community Affairs to be facing
16 serious fiscal distress, a SDA municipality, or a municipality in
17 which a major rail station is located.

18 "Electric vehicle charging station" means an electric component
19 assembly or cluster of component assemblies designed specifically
20 to charge batteries within electric vehicles by permitting the transfer
21 of electric energy to a battery or other storage device in an electric
22 vehicle.

23 "Eligibility period" means the period of time specified in a
24 redevelopment incentive grant agreement for the payment of
25 reimbursements to a developer, which period shall not exceed 20
26 years, with the term to be determined solely at the discretion of the
27 applicant.

28 "Eligible revenue" means the property tax increment and any
29 other incremental revenues set forth in section 11 of P.L.2009, c.90
30 (C.52:27D-489k), except in the case of a Garden State Growth
31 Zone, in which the property tax increment and any other
32 incremental revenues are calculated as those incremental revenues
33 that would have existed notwithstanding the provisions of the "New
34 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
35 (C.52:27D-489p et al.).

36 "Garden State Growth Zone" or "growth zone" means the four
37 New Jersey cities with the lowest median family income based on
38 the 2009 American Community Survey from the US Census, (Table
39 708. Household, Family, and Per Capita Income and Individuals,
40 and Families Below Poverty Level by City: 2009); a municipality
41 which contains a Tourism District as established pursuant to section
42 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
43 Reinvestment Development Authority; or an aviation district.

44 "Highlands development credit receiving area or redevelopment
45 area" means an area located within an incentive area and designated
46 by the Highlands Council for the receipt of Highlands Development
47 Credits under the Highlands Transfer Development Rights Program
48 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

1 "Incentive grant" means reimbursement of all or a portion of the
2 project financing gap of a redevelopment project through the State
3 or a local Economic Redevelopment and Growth Grant program
4 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
5 or C.52:27D-489e).

6 "Infrastructure improvements in the public right-of-way" mean
7 public structures or improvements, including public electric vehicle
8 charging stations, located in the public right-of-way that are located
9 within a project area or that constitute an ancillary infrastructure
10 project, either of which are dedicated to or owned by a
11 governmental body or agency upon completion, or any required
12 payment in lieu of the structures, improvements or projects, or any
13 costs of remediation associated with the structures, improvements
14 or projects, and that are determined by the authority, in consultation
15 with applicable State agencies, to be consistent with and in
16 furtherance of State public infrastructure objectives and initiatives.

17 "Low-income housing" means housing affordable according to
18 federal Department of Housing and Urban Development or other
19 recognized standards for home ownership and rental costs and
20 occupied or reserved for occupancy by households with a gross
21 household income equal to 50 percent or less of the median gross
22 household income for households of the same size within the
23 housing region in which the housing is located.

24 "Major rail station" means a railroad station located within a
25 qualified incentive area which provides access to the public to a
26 minimum of six rail passenger service lines operated by the New
27 Jersey Transit Corporation.

28 "Mixed use parking project" means a redevelopment project, the
29 parking component of which shall constitute 51 percent or more of
30 any of the following:

31 a. the total square footage of the entire mixed use parking
32 project;

33 b. the estimated revenues of the entire mixed use parking
34 project; or

35 c. the total construction cost of the entire mixed use parking
36 project.

37 "Moderate-income housing" means housing affordable,
38 according to United States Department of Housing and Urban
39 Development or other recognized standards for home ownership
40 and rental costs, and occupied or reserved for occupancy by
41 households with a gross household income equal to more than 50
42 percent but less than 80 percent of the median gross household
43 income for households of the same size within the housing region in
44 which the housing is located.

45 "Municipal redeveloper" means an applicant for a redevelopment
46 incentive grant agreement, which applicant is:

1 a. a municipal government, a municipal parking authority, or a
2 redevelopment agency acting on behalf of a municipal government
3 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

4 b. a developer of a mixed use parking project, provided that the
5 parking component of the mixed use parking project is operated and
6 maintained by a municipal parking authority for the term of any
7 financial assistance granted pursuant to P.L.2015, c.69.

8 "Municipal Revitalization Index" means the 2007 index by the
9 Office for Planning Advocacy within the Department of State
10 measuring or ranking municipal distress.

11 "Non-parking component" means that portion of a mixed use
12 parking project not used for parking, together with the portion of
13 the costs of the mixed use parking project, including but not limited
14 to the footings, foundations, site work, infrastructure, and soft costs
15 that are allocable to the non-parking use.

16 "Parking component" means that portion of a mixed use parking
17 project used for parking, together with the portion of the costs of
18 the mixed use parking project, including but not limited to the
19 footings, foundations, site work, infrastructure, and soft costs that
20 are allocable to the parking use. The parking component, which
21 may include enclosed pedestrian walkways or a skybridge, may be
22 in the same structure as all the non-parking components or may be
23 in a structure with some non-parking components with the
24 remaining non-parking components in an adjacent or nearby
25 structure that is no more than one third of a mile from the parking
26 components.

27 "Project area" means land or lands located within the incentive
28 area under common ownership or control including through a
29 redevelopment agreement with a municipality, or as otherwise
30 established by a municipality or a redevelopment agreement
31 executed by a State entity to implement a redevelopment project.

32 "Project cost" means the costs incurred in connection with the
33 redevelopment project by the developer until the issuance of a
34 permanent certificate of occupancy, or until such other time
35 specified by the authority, for a specific investment or
36 improvement, including the costs relating to receiving Highlands
37 Development Credits under the Highlands Transfer Development
38 Rights Program authorized pursuant to section 13 of P.L.2004,
39 c.120 (C.13:20-13), lands, buildings, improvements, real or
40 personal property, or any interest therein, including leases
41 discounted to present value, including lands under water, riparian
42 rights, space rights and air rights acquired, owned, developed or
43 redeveloped, constructed, reconstructed, rehabilitated or improved,
44 any environmental remediation costs, plus costs not directly related
45 to construction, of an amount not to exceed 20 percent of the total
46 costs, capitalized interest paid to third parties, and the cost of
47 infrastructure improvements, including ancillary infrastructure
48 projects, and, for projects located in a Garden State Growth Zone

1 only, the cost of infrastructure improvements including any
2 ancillary infrastructure project and the amount by which total
3 project cost exceeds the cost of an alternative location for the
4 redevelopment project, but excluding any particular costs for which
5 the project has received federal, State, or local funding.

6 "Project financing gap" means:

7 a. the part of the total project cost, including return on
8 investment, that remains to be financed after all other sources of
9 capital have been accounted for, including, but not limited to,
10 developer-contributed capital, which shall not be less than 20
11 percent of the total project cost, which may include the value of any
12 existing land and improvements in the project area owned or
13 controlled by the developer, and the cost of infrastructure
14 improvements in the public right-of-way, subject to review by the
15 State Treasurer, and investor or financial entity capital or loans for
16 which the developer, after making all good faith efforts to raise
17 additional capital, certifies that additional capital cannot be raised
18 from other sources on a non-recourse basis; and

19 b. the amount by which total project cost exceeds the cost of an
20 alternative location for the out-of-State redevelopment project.

21 "Project revenue" means all rents, fees, sales, and payments
22 generated by a project, less taxes or other government payments.

23 "Property tax increment" means the amount obtained by:

24 a. multiplying the general tax rate levied each year by the
25 taxable value of all the property assessed within a project area in
26 the same year, excluding any special assessments; and

27 b. multiplying that product by a fraction having a numerator
28 equal to the taxable value of all the property assessed within the
29 project area, minus the property tax increment base, and having a
30 denominator equal to the taxable value of all property assessed
31 within the project area.

32 For the purpose of this definition, "property tax increment base"
33 means the aggregate taxable value of all property assessed which is
34 located within the redevelopment project area as of October 1st of
35 the year preceding the year in which the redevelopment incentive
36 grant agreement is authorized.

37 "Public electric vehicle charging station" means an electric
38 vehicle charging station located at a publicly available parking
39 space.

40 "Public hydrogen fueling station" means publicly available
41 equipment to store and dispense hydrogen fuel to vehicles
42 according to industry codes and standards.

43 "Publicly available parking space" means a parking space that is
44 available to, and accessible by, the public and may include on-street
45 parking spaces and parking spaces in surface lots or parking
46 garages, but shall not include: a parking space that is part of, or
47 associated with, a private residence; or a parking space that is
48 reserved for the exclusive use of an individual driver or vehicle or

1 for a group of drivers or vehicles, such as employees, tenants,
2 visitors, residents of a common interest development, or residents
3 of an adjacent building.

4 "Qualified incubator facility" means a commercial building
5 located within an incentive area: which contains 100,000 or more
6 square feet of office, laboratory, or industrial space; which is
7 located near, and presents opportunities for collaboration with, a
8 research institution, teaching hospital, college, or university; and
9 within which, at least 75 percent of the gross leasable area is
10 restricted for use by one or more technology startup companies
11 during the commitment period.

12 "Qualified residential project" means a redevelopment project
13 that is predominantly residential and includes multi-family
14 residential units for purchase or lease, or dormitory units for
15 purchase or lease, having a total project cost of at least
16 \$17,500,000, if the project is located in any municipality with a
17 population greater than 200,000 according to the latest federal
18 decennial census, or having a total project cost of at least
19 \$10,000,000 if the project is located in any municipality with a
20 population less than 200,000 according to the latest federal
21 decennial census, or is a disaster recovery project, or having a total
22 project cost of \$5,000,000 if the project is in a Garden State Growth
23 Zone.

24 "Qualifying economic redevelopment and growth grant incentive
25 area" or "incentive area" means:

- 26 a. an aviation district;
27 b. a port district;
28 c. a distressed municipality; or
29 d. an area (1) designated pursuant to the "State Planning Act,"

30 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

- 31 (a) Planning Area 1 (Metropolitan);
32 (b) Planning Area 2 (Suburban); or
33 (c) Planning Area 3 (Fringe Planning Area);

34 (2) located within a smart growth area and planning area
35 designated in a master plan adopted by the New Jersey
36 Meadowlands Commission pursuant to subsection (i) of section 6 of
37 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
38 adopted by the New Jersey Meadowlands Commission pursuant to
39 section 20 of P.L.1968, c.404 (C.13:17-21);

40 (3) located within any land owned by the New Jersey Sports and
41 Exposition Authority, established pursuant to P.L.1971, c.137
42 (C.5:10-1 et seq.), within the boundaries of the Hackensack
43 Meadowlands District as delineated in section 4 of P.L.1968, c.404
44 (C.13:17-4);

45 (4) located within a regional growth area, rural development
46 area zoned for industrial use as of the effective date of P.L.2016,
47 c.75, town, village, or a military and federal installation area
48 designated in the comprehensive management plan prepared and

1 adopted by the Pinelands Commission pursuant to the "Pinelands
2 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

3 (5) located within the planning area of the Highlands Region as
4 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
5 highlands development credit receiving area or redevelopment area;

6 (6) located within a Garden State Growth Zone;

7 (7) located within land approved for closure under any federal
8 Base Closure and Realignment Commission action; or

9 (8) located only within the following portions of the areas
10 designated pursuant to the "State Planning Act," P.L.1985, c.398
11 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
12 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
13 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
14 Planning Area), Planning Area 4B (Rural/Environmentally
15 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
16 located within:

17 (a) a designated center under the State Development and
18 Redevelopment Plan;

19 (b) a designated growth center in an endorsed plan until the
20 State Planning Commission revises and readopts New Jersey's State
21 Strategic Plan and adopts regulations to revise this definition as it
22 pertains to Statewide planning areas;

23 (c) any area determined to be in need of redevelopment pursuant
24 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
25 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
26 P.L.1992, c.79 (C.40A:12A-14);

27 (d) any area on which a structure exists or previously existed
28 including any desired expansion of the footprint of the existing or
29 previously existing structure provided the expansion otherwise
30 complies with all applicable federal, State, county, and local
31 permits and approvals;

32 (e) the planning area of the Highlands Region as defined in
33 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
34 development credit receiving area or redevelopment area; or

35 (f) any area on which an existing tourism destination project is
36 located.

37 "Qualifying economic redevelopment and growth grant incentive
38 area" or "incentive area" shall not include any property located
39 within the preservation area of the Highlands Region as defined in
40 the "Highlands Water Protection and Planning Act," P.L.2004,
41 c.120 (C.13:20-1 et al.).

42 "Redevelopment incentive grant agreement" means an agreement
43 between:

44 a. the State and the New Jersey Economic Development
45 Authority and a developer under which, in exchange for the
46 proceeds of an incentive grant or tax credits under section 1 of
47 P.L. , c. (C.) (pending before the Legislature as this bill), the
48 developer agrees to perform any work or undertaking necessary for

1 a redevelopment project, including the clearance, development or
2 redevelopment, construction, or rehabilitation of any structure or
3 improvement of commercial, industrial, residential, or public
4 structures or improvements within a qualifying economic
5 redevelopment and growth grant incentive area or a transit village;

6 or

7 b. a municipality and a developer, or a municipal ordinance
8 authorizing a project to be undertaken by a municipal redeveloper,
9 under which, in exchange for the proceeds of an incentive grant, the
10 developer agrees to perform any work or undertaking necessary for
11 a redevelopment project, including the clearance, development or
12 redevelopment, construction, or rehabilitation of any structure or
13 improvement of commercial, industrial, residential, or public
14 structures or improvements within a qualifying economic
15 redevelopment and growth grant incentive area or a transit village.

16 "Redevelopment project" means a specific construction project
17 or improvement, including lands, buildings, improvements, real and
18 personal property or any interest therein, including lands under
19 water, riparian rights, space rights and air rights, acquired, owned,
20 leased, developed or redeveloped, constructed, reconstructed,
21 rehabilitated or improved, undertaken by a developer, owner or
22 tenant, or both, within a project area and any ancillary infrastructure
23 project including infrastructure improvements in the public right-of-
24 way, as set forth in an application to be made to the authority. The
25 use of the term "redevelopment project" in sections 3 through 18 of
26 P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only
27 redevelopment projects located in areas determined to be in need of
28 redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
29 (C.40A:12A-5 and C.40A:12A-6) but shall also include, but not be
30 limited to, any work or undertaking in accordance with the
31 "Redevelopment Area Bond Financing Law," sections 1 through 10
32 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or other applicable law,
33 pursuant to a redevelopment plan adopted by a State entity, or as
34 described in the resolution adopted by a public entity created by
35 State law with the power to adopt a redevelopment plan or
36 otherwise determine the location, type and character of a
37 redevelopment project or part of a redevelopment project on land
38 owned or controlled by it or within its jurisdiction, including but
39 not limited to, the New Jersey Meadowlands Commission
40 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the
41 New Jersey Sports and Exposition Authority established pursuant to
42 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
43 Economic Revitalization Authority created pursuant to P.L.2010,
44 c.51 (C.52:27I-18 et seq.). A redevelopment project may include
45 the development of zero-emission vehicle fueling and charging
46 infrastructure.

47 "Redevelopment utility" means a self-liquidating fund created by
48 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-

1 489l) to account for revenues collected and incentive grants paid
2 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
3 revenues dedicated to a redevelopment project.

4 "Revenue increment base" means the amounts of all eligible
5 revenues from sources within the redevelopment project area in the
6 calendar year proceeding the year in which the redevelopment
7 incentive grant agreement is executed, as certified by the State
8 Treasurer for State revenues, and the chief financial officer of the
9 municipality for municipal revenues.

10 "SDA district" means an SDA district as defined in section 3 of
11 P.L.2000, c.72 (C.18A:7G-3).

12 "SDA municipality" means a municipality in which an SDA
13 district is situated.

14 "Technology startup company" means a for profit business that
15 has been in operation fewer than five years and is developing or
16 possesses a proprietary technology or business method of a high-
17 technology or life science-related product, process, or service which
18 the business intends to move to commercialization.

19 "Tourism destination project" means a redevelopment project
20 that will be among the most visited privately owned or operated
21 tourism or recreation sites in the State, and which is located within
22 the incentive area and has been determined by the authority to be in
23 an area appropriate for development and in need of economic
24 development incentive assistance.

25 "Transit project" means a redevelopment project located within a
26 1/2-mile radius, or one-mile radius for projects located in a Garden
27 State Growth Zone, surrounding the mid-point of a New Jersey
28 Transit Corporation, Port Authority Transit Corporation, or Port
29 Authority Trans-Hudson Corporation rail, bus, or ferry station
30 platform area, including all light rail stations.

31 "Transit village" means a community with a bus, train, light rail,
32 or ferry station that has developed a plan to achieve its economic
33 development and revitalization goals and has been designated by
34 the New Jersey Department of Transportation as a transit village.

35 "University infrastructure" means any of the following located
36 on the campus of Rutgers, the State University of New Jersey:

37 a. buildings and structures, such as academic buildings,
38 recreation centers, indoor athletic facilities, public works garages,
39 and water and sewer treatment and pumping facilities;

40 b. open space with improvements, such as athletic fields and
41 other outdoor athletic facilities, planned commons, and parks; and

42 c. transportation facilities, such as bus shelters and parking
43 facilities.

44 "Urban transit hub" means an urban transit hub, as defined in
45 section 10 of P.L.2007, c.346 (C.34:1B-208), that is located within
46 an eligible municipality, as defined in section 10 of P.L.2007, c.346
47 (C.34:1B-208), or all light rail stations and property located within
48 a one-mile radius of the mid-point of the platform area of such a

1 rail, bus, or ferry station if the property is in a qualified
2 municipality under the "Municipal Rehabilitation and Economic
3 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

4 "Vacant commercial building" means any commercial building
5 or complex of commercial buildings having over 400,000 square
6 feet of office, laboratory, or industrial space that is more than 70
7 percent unoccupied at the time of application to the authority or is
8 negatively impacted by the approval of a "qualified business
9 facility," as defined pursuant to section 2 of P.L.2007, c.346
10 (C.34:1B-208), or any vacant commercial building in a Garden
11 State Growth Zone having over 35,000 square feet of office,
12 laboratory, or industrial space, or over 200,000 square feet of
13 office, laboratory, or industrial space in Atlantic, Burlington,
14 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
15 counties available for occupancy for a period of over one year.

16 "Vacant health facility project" means a redevelopment project
17 where a health facility, as defined by section 2 of P.L.1971, c.136
18 (C.26:2H-2), currently exists and is considered vacant. A health
19 facility shall be considered vacant if at least 70 percent of that
20 facility has not been open to the public or utilized to serve any
21 patients at the time of application to the authority.

22 "Zero-emission vehicle" means a vehicle certified as a zero
23 emission vehicle pursuant to the California Air Resources Board
24 zero emission vehicle standards for the applicable model year,
25 including but not limited to, battery electric-powered vehicles and
26 hydrogen fuel cell vehicles.

27 "Zero-emission vehicle fueling and charging infrastructure"
28 means infrastructure to charge or fuel zero-emission vehicles,
29 including but not limited to, public electric vehicle charging
30 stations and public hydrogen fueling stations.

31 (cf: P.L2021, c.168, s.6)

32
33 3. Section 8 of P.L.2009, c.90 (52:27D-489h) is amended to
34 read as follows:

35 8. a. (1) The authority, in consultation with the State Treasurer,
36 shall promulgate an incentive grant application form and procedure
37 for the Economic Redevelopment and Growth Grant program.
38 Within 30 days of the effective date of P.L. _____,
39 c. (pending before the Legislature as this bill), the authority shall
40 promulgate an alternate incentive grant application form to be used
41 by developers seeking tax credits pursuant to section 1 of P.L. _____,
42 c. (C. _____) (pending before the Legislature as this bill).

43 (2) (a) The Local Finance Board, in consultation with the
44 authority, shall develop a minimum standard incentive grant
45 application form for municipal Economic Redevelopment and
46 Growth Grant programs.

47 (b) Through regulation, the authority shall establish standards
48 for redevelopment projects seeking State or local incentive grants

1 based on the green building manual prepared by the Commissioner
2 of Community Affairs pursuant to section 1 of P.L.2007, c.132
3 (C.52:27D-130.6), regarding the use of renewable energy, energy-
4 efficient technology, and non-renewable resources in order to
5 reduce environmental degradation and encourage long-term cost
6 reduction.

7 b. Within each incentive grant application, a developer shall
8 certify information concerning:

9 (1) the status of control of the entire redevelopment project site;

10 (2) all required State and federal government permits that have
11 been issued for the redevelopment project, or will be issued pending
12 resolution of financing issues;

13 (3) local planning and zoning board approvals, as required, for
14 the redevelopment project;

15 (4) estimates of the revenue increment base, the eligible
16 revenues for the project, and the assumptions upon which those
17 estimates are made.

18 c. (1) With regard to State tax revenues proposed to be pledged
19 for an incentive grant or tax credits to be awarded pursuant to
20 section 1 of P.L. , c. (C.) (pending before the Legislature
21 as this bill), the authority and the State Treasurer shall review the
22 project costs, evaluate and validate the project financing gap
23 estimated by the developer, and conduct a State fiscal impact
24 analysis to ensure that the overall public assistance provided to the
25 project, except with regards to a qualified residential project, a
26 mixed use parking project, or a project involving university
27 infrastructure, will result in net benefits to the State including,
28 without limitation, both direct and indirect economic benefits and
29 non-financial community revitalization objectives, including but not
30 limited to, the promotion of the use of public transportation in the
31 case of the ancillary infrastructure project portion of any transit
32 project.

33 (2) With regard to local incremental revenues proposed to be
34 pledged for an incentive grant the authority and the Local Finance
35 Board shall review the project costs, and except with respect to an
36 application by a municipal redeveloper, evaluate and validate the
37 project financing gap projected by the developer, and conduct a
38 local fiscal impact analysis to ensure that the overall public
39 assistance provided to the project, except with regards to a qualified
40 residential project, a mixed use parking project, or a project
41 involving university infrastructure, will result in net benefits to the
42 municipality wherein the redevelopment project is located
43 including, without limitation, both direct and indirect economic
44 benefits and non-financial community revitalization objectives,
45 including but not limited to, the promotion of the use of public
46 transportation in the case of the ancillary infrastructure project
47 portion of any transit project.

1 (3) The authority, State Treasurer, and Local Finance Board
2 may act cooperatively to administer and review applications, and
3 shall consult with the Office of State Planning on matters
4 concerning State, regional, and local development and planning
5 strategies.

6 (4) The costs of the aforementioned reviews shall be assessed to
7 the applicant as an application fee, except for applications
8 submitted on or after January 1, 2018, but before June 30, 2019,
9 which are amended after the effective date of P.L.2020, c.156
10 (C.34:1B-269 et al.), the authority may waive fees.

11 (5) A developer who has already applied for an incentive grant
12 award prior to the effective date of the "New Jersey Economic
13 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
14 but who has not yet been approved for the grant, or has not
15 executed an agreement with the authority, may proceed under that
16 application or seek to amend the application or reapply for an
17 incentive grant award for the same project or any part thereof for
18 the purpose of availing himself or herself of any more favorable
19 provisions of the Economic Redevelopment and Growth Grant
20 program established pursuant to the "New Jersey Economic
21 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
22 except that projects with costs exceeding \$200,000,000 shall not be
23 eligible for revised percentage caps under subsection d. of section
24 19 of P.L.2013, c.161 (C.52:27D-489i).
25 (cf: P.L.2021, c.160, s.56)

26

27 4. Section 9 of P.L.2009, c.90 (52:27D-489i) is amended to
28 read as follows:

29 9. a. The authority is authorized to enter into a redevelopment
30 incentive grant agreement with a developer for any redevelopment
31 project located within a qualifying economic redevelopment and
32 growth grant incentive area that does not qualify as such an area
33 solely by virtue of being a transit village.

34 b. The decision of whether to enter into a redevelopment
35 incentive grant agreement is solely within the discretion of the
36 authority and the State Treasurer, provided that they both agree to
37 enter into an agreement.

38 c. The Chief Executive Officer of the authority, in consultation
39 with the State Treasurer shall negotiate the terms and conditions of
40 any redevelopment incentive grant agreement on behalf of the State.

41 d. (1) The redevelopment incentive grant agreement shall
42 specify the maximum amount of project costs, the amount of the
43 incentive grant or tax credits to be awarded the developer, the
44 frequency of payments, and the eligibility period, which shall not
45 exceed 20 years, during which reimbursement will be granted, and
46 for a project receiving an incentive grant in excess of \$50 million,
47 the amount of the negotiated repayment amount to the State, which
48 may include, but not be limited to, cash, equity, and warrants.

1 Except for redevelopment incentive grant agreements with a
2 municipal redeveloper, or with the developer of a redevelopment
3 project solely with respect to the cost of infrastructure
4 improvements in the public right-of-way including any ancillary
5 infrastructure project in the public right-of-way, or a qualified
6 residential project receiving tax credits pursuant to section 1 of
7 P.L. , c. (C.) (pending before the Legislature as this bill),
8 in no event shall the base amount of the combined reimbursements
9 under redevelopment incentive grant agreements with the State or
10 municipality exceed 20 percent of the total project cost, except in a
11 Garden State Growth Zone, which shall not exceed 30 percent.

12 (2) **【The】** Except in the case of a qualified residential project
13 receiving tax credits pursuant to section 1 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill), the
15 authority shall be permitted to increase the amount of the
16 reimbursement under the redevelopment incentive grant agreement
17 with the State by up to 10 percent of the total project cost if the
18 project is:

19 (a) located in a distressed municipality which lacks adequate
20 access to nutritious food in the judgment of the Chief Executive
21 Officer of the authority and will include either a supermarket or
22 grocery store with a minimum of 15,000 square feet of selling space
23 devoted to the sale of consumable products or a prepared food
24 establishment selling only nutritious ready to serve meals;

25 (b) located in a distressed municipality which lacks adequate
26 access to health care and health services in the judgment of the
27 Chief Executive Officer of the authority and will include a health
28 care and health services center with a minimum of 10,000 square
29 feet of space devoted to the provision of health care and health
30 services;

31 (c) located in a distressed municipality which has a business
32 located therein that is required to respond to a request for proposal
33 to fulfill a contract with the federal government as set forth in
34 subsection f. of section 3 of P.L.2011, c.149 (C.34:1B-244);

35 (d) a transit project;

36 (e) a qualified residential project in which at least 10 percent of
37 the residential units are constructed as and reserved for moderate
38 income housing;

39 (f) located in a highlands development credit receiving area or
40 redevelopment area;

41 (g) located in a Garden State Growth Zone;

42 (h) a disaster recovery project;

43 (i) an aviation project;

44 (j) a tourism destination project; or

45 (k) substantial rehabilitation or renovation of an existing
46 structure or structures.

47 (3) The maximum amount of any redevelopment incentive grant
48 shall be equal to up to 30 percent of the total project costs, except

1 for projects located in a Garden State Growth Zone, in which case
2 the maximum amount of any redevelopment incentive grant shall be
3 equal to up to 40 percent of the total project costs. Notwithstanding
4 anything to the contrary contained within this section, the maximum
5 amount of any redevelopment incentive grant with respect to a
6 mixed use parking project shall be up to 100 percent of the total
7 project costs allocable to the parking component of the project, and
8 shall be up to 40 percent of the total project costs allocable to the
9 non-parking component of the project. In addition, notwithstanding
10 anything to the contrary contained in this section, the maximum
11 amount of any redevelopment incentive grant for a qualified
12 residential project described in (i) below shall be up to 80 percent
13 of the total project costs, and for a mixed use parking project
14 described in (i) through (iv) below shall be up to 100 percent of the
15 total project costs allocable to the parking component and up to 80
16 percent of the total project costs allocable to the non-parking
17 component , provided that if the amount of the redevelopment
18 incentive grant exceeds 40 percent of the total project costs for
19 projects developed by non-public, for-profit entities, the authority
20 shall consider the effect of the increased grant amount in
21 determining the project financing gap, which shall include utilizing
22 a rate of return on a developer's contributed capital, when used to
23 determine the project financing gap, reflective of the reduced
24 financial risk of the project, as set by the authority : (i) with respect
25 to a mixed use parking project or qualified residential project
26 constructed upon all or a portion of a project site which project site
27 was previously the subject of an award of tax credits pursuant to the
28 "Urban Transit Hub Tax Credit Act," P.L.2007, c.346 (C.34:1B-207
29 et seq.), as amended by P.L.2009, c.90 (C.52:27D-489a et al.), but
30 those tax credits were not issued, (ii) for entertainment venues with
31 seating capacity in excess of 5,000, (iii) a visitor center within or
32 adjacent to a national historic park, or (iv) a youth center in or
33 adjacent to a national historic park.

34 e. Except in the case of a qualified residential project, a mixed
35 use parking project, or a project involving university infrastructure,
36 the authority and the State Treasurer may enter into a
37 redevelopment incentive grant agreement only if they make a
38 finding that the State revenues to be realized from the
39 redevelopment project will be in excess of the amount necessary to
40 reimburse the developer for its project financing gap. This finding
41 may be made by an estimation based upon the professional
42 judgment of the Chief Executive Officer of the authority and the
43 State Treasurer.

44 f. In deciding whether to recommend entering into a
45 redevelopment incentive grant agreement and in negotiating a
46 redevelopment agreement with a developer, the Chief Executive
47 Officer of the authority shall consider the following factors:

- 48 (1) the economic feasibility of the redevelopment project;

1 (2) the extent of economic and related social distress in the
2 municipality and the area to be affected by the redevelopment
3 project or the level of site specific distress to include dilapidated
4 conditions, brownfields designation, environmental contamination,
5 pattern of vacancy, abandonment, or under-utilization of the
6 property, rate of foreclosures, or other site conditions as determined
7 by the authority;

8 (3) the degree to which the redevelopment project will advance
9 State, regional, and local development and planning strategies;

10 (4) the likelihood that the redevelopment project shall, upon
11 completion, be capable of generating new tax revenue in an amount
12 in excess of the amount necessary to reimburse the developer for
13 project costs incurred as provided in the redevelopment incentive
14 grant agreement, provided, however, that any tax revenue generated
15 by a redevelopment project that is a disaster recovery project shall
16 be considered new tax revenue even if the same or more tax revenue
17 was generated at or on the site prior to the disaster;

18 (5) the relationship of the redevelopment project to a
19 comprehensive local development strategy, including other major
20 projects undertaken within the municipality;

21 (6) the need of the redevelopment incentive grant agreement to
22 the viability of the redevelopment project or the promotion of the
23 use of public transportation; and

24 (7) the degree to which the redevelopment project enhances and
25 promotes job creation and economic development or the promotion
26 of the use of public transportation.

27 g. (1) A developer who has entered into a redevelopment
28 incentive grant agreement with the authority and the State Treasurer
29 pursuant to this section may, upon notice to and consent of the
30 authority and the State Treasurer, pledge, assign, transfer, or sell
31 any or all of its right, title and interest in and to the agreements and
32 in the incentive grants payable thereunder, and the right to receive
33 same, along with the rights and remedies provided to the developer
34 under the agreement. Any such assignment shall be an absolute
35 assignment for all purposes, including the federal bankruptcy code.

36 (2) Any pledge of incentive grants made by the developer shall
37 be valid and binding from the time the pledge is made and filed in
38 the records of the authority. The incentive grants pledged and
39 thereafter received by the developer shall immediately be subject to
40 the lien of the pledge without any physical delivery thereof or
41 further act, and the lien of any pledge shall be valid and binding
42 against all parties having claims of any kind in tort, contract, or
43 otherwise against the developer irrespective of whether the parties
44 have notice thereof. Neither the redevelopment incentive grant
45 agreement nor any other instrument by which a pledge under this
46 section is created need be filed or recorded except with the
47 authority.

48 (cf: P.L.2018, c.44, s.3)

1 5. This act shall take effect immediately.

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4

STATEMENT

5

6 This bill would provide up to \$600 million in tax credits
7 available to developers to construct certain affordable housing
8 projects. In order to qualify for the tax credit, a developer must
9 construct a residential project in which at least 50 percent of the
10 residential units are constructed and reserved for very low-, low-,
11 and moderate-income housing, of which, at least 13 percent must be
12 reserved for very low-income housing. Developers would apply for
13 tax credits in the same manner in which developers applied for
14 grants under the State Economic Redevelopment and Growth Grant
15 program.